



Patrick W. Henning, Director
July 29, 2009
22M:388:TLA:9024



Arnold Schwarzenegger
Governor

Mr. Adam Peck, Administrator
Tulare County Workforce Investment Board, Inc.
4025 West Noble Avenue, Suite A
Visalia, CA 93277

Dear Mr. Peck:

WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the Tulare County Workforce Investment Board's (TCWIB) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Mr. TG Akins from December 15, 2008 through December 19, 2008.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by TCWIB with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with TCWIB representatives. In addition, this report includes the results of our review of selected case files, TCWIB's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on June 29, 2009, and reviewed your comments and documentation before finalizing this report. Because your response did not adequately address findings 1, 2, and 3 cited in the draft report, and we consider

these findings unresolved. We request that TCWIB provide the Compliance Review Office with additional information or a corrective action plan to resolve the issues that led to the findings. Therefore, these findings remain open and have been assigned Corrective Action Tracking System (CATS) number(s) 90155, 90156, and 90157.

BACKGROUND

The TCWIB was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, TCWIB was allocated: \$2,916,411 to serve 1,248 adult participants; \$3,098,039 to serve 857 youth participants; and \$2,395,196 to serve 623 dislocated worker participants.

For the quarter ending September 30, 2008, TCWIB reported the following expenditures for its WIA programs: \$460,413 for adult participants; \$267,364 for youth participants; and \$157,292 for dislocated worker participants. In addition, TCWIB reported the following enrollments: 621 adult participants; 166 youth participants; and 286 dislocated worker participants. We reviewed case files for 30 of the 1,073 participants enrolled in the WIA program as of December 15, 2008.

PROGRAM REVIEW RESULTS

While we concluded that, overall, TCWIB is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: Workforce Investment Board (WIB) and Youth Council composition and 90 day gaps in service. The findings that we identified in these areas, our recommendations, and TCWIB's proposed resolution of the findings are specified below.

FINDING 1

Requirement:

WIA Section 117(b)(4) states, in part, that a majority of the members of the local board shall be representatives from local business.

WIA Section 117(b)(2)(A)(iii) states, in part, that the composition of the local WIB shall include representatives of local labor organizations. 20 CFR 661.315(a) states that the local WIB must contain two or more members representing the categories described in WIA Section 117(b)(2)(A)(iii).

20 CFR 661.315(e) states, in part, that Chief Elected Officials (CEO) must appoint business representatives from among

individuals who are nominated by local business organizations and business trade associations. CEOs must appoint the labor representatives from among individuals who are nominated by local labor federations (or, for a local area in which no employees are represented by such organizations, other representatives of employees).

WIAD06-21 states, in part, that at least 15 percent of local board members shall be representatives of labor organizations unless the local labor federation fails to nominate enough members.

20 CFR 661.315(a) states, in part, that the Local Board must contain at least one member representing each One-Stop partner.

Observation: We observed that the Tulare County WIB does not have a business majority, 15 percent labor representation, or a representative from a One-stop partner. Currently the WIB has 26 active members of which 14 members are business representatives and three are labor representatives. TCWIB self identified their WIB composition to be 37 members when they submitted their recertification documents to the Workforce Services Division. Seven vacancies were self identified for business representatives. The Tulare County WIB by-laws specify that the number of members on the board will fluctuate from time to time when a single member with multiple affiliations represents more than one category/program/group/or entity. Lastly, they have not had a representative from the local Native American Tribe since April 2003.

Recommendation: We recommended that TCWIB provide the Compliance Review Office (CRO) with a corrective action plan (CAP), including a timeline, for appointing the required representatives to their WIB. We also recommended that TCWIB provide CRO with a copy of an updated WIB roster after the vacant positions are filled.

TCWIB Response: The TCWIB stated that currently their WIB has 29 members and that 4 of the members represent labor (or 13.8% of membership) and 15 represent business (or 51.7% of membership). However, the WIB roster shows vacancies in both business and labor representation.

State Conclusion: Based on TCWIB's response, we cannot resolve this issue at this time. While we acknowledge TCWIB's progress in appointing required representatives, they did not provide a CAP for appointing all the required members. We, again, recommend that TCWIB provide the CRO with a CAP, including a timeline, for appointing the required representatives to their WIB. We also recommend that TCWIB provide CRO with a copy of an updated WIB roster after the vacant positions are filled. Until then, this finding will remain open and have been assigned number 90155.

FINDING 2

Requirement: 20 CFR 661.335(b) states, in part, that the membership of each youth council must include:

- Members of the Local Board, such as educators, which may include special education personnel, employers, and representatives of human service agencies, who have special interest or expertise in youth policy;
- Members who represent service agencies, such as juvenile justice and local law enforcement agencies;
- Members who represent local public housing authorities;
- Parents of eligible youth seeking assistance under subtitle B of Title I of WIA;
- Individuals, including former participants, and members who represent organizations, that have experience relating to youth activities; and
- Members who represent the Job Corps, if a Job Corps Center is located in the local area represented by the council.

Observation: We observed that TCWIB's Youth Council has two vacancies. The first is for a representative of a Juvenile Justice or Law Enforcement agency representative and the second is a parent of an eligible youth, which have been vacant since May 31, 2006 and January 18, 2008, respectively.

Recommendation: We recommended that TCWIB provide CRO with a CAP, including a timeline, for appointing the required members to their Youth Council. We also recommended that TCWIB provide CRO with a copy of an updated Youth Council roster after the vacant positions are filled.

TCWIB Response: The TCWIB stated that they have not yet filled either vacant position on the Youth Council. However, they are in the process of nominating a person to fill the Juvenile Justice/Law Enforcement vacancy.

State Conclusion: Based on TCWIB's response, we cannot resolve this issue at this time. We acknowledge the progress that TCWIB has made in filling the Youth Council vacancies, but neither vacancy has been filled. We, again, recommend that TCWIB provide CRO with a CAP, including a timeline, for appointing the required members to their Youth Council. We also recommend that TCWIB provide CRO with a copy of an updated Youth Council roster after the vacant positions are filled. Until then, this finding will remain open and have been assigned number 90156.

FINDING 3

Requirement: 20 CFR Section 667.300(b)(1) states, in part, that a state or other direct grant recipient may impose different forms or shorter formats, shorter due dates, and more frequent reporting requirements on subrecipients.

Training and Employment Guidance Letter (TEGL) 17-05 states, in part, that the term program exit means a participant has not received a service funded by the program or funded by a partner program for 90 consecutive calendar days, and is not scheduled for future services. The exit date is the last date of service.

Additionally, TEGL 17-05 states, in part, that once a participant has not received any WIA funded or partner services for 90 days (except follow-up services, and there is no planned gap in service or the planned gap in service is for reasons other than those related to health/medical condition and delay in training) that participants must be exited from WIA. The exit date is the last date of WIA funded or partner received services.

Observation: We found that 12 out of 30 case files reviewed included a gap in services of 90 days or greater. Specifically the gaps in service ranged from four months to eleven months. Four of the 12 participants have been exited, but the exit date used was the day TCWIB decided the client was unreachable instead of the last day a WIA funded or partner service was received. Additionally, while TCWIB attempted to contact these participants, no WIA or

partner funded services were provided during these gaps of inactivity.

Recommendation: We recommended that TCWIB provide CRO with a CAP, including a timeline, to ensure that, in the future, no more than 90 days will lapse between services provided to WIA participants, or exit the participants as of the last date of receipt of services.

Additionally, we recommended that TCWIB provide CRO with documentation to demonstrate that services were being provided to the remaining eight participants noted above or exit from the WIA program. Further, we recommended that TCWIB review all current case files and take similar action.

TCWIB Response: The TCWIB stated that, under their new program design, the One Stop Operator will be responsible for documenting services and that soft exits after 90 days of inactivity will become the norm instead of the exception.

State Conclusion: Based on TCWIB's response, we cannot resolve this issue at this time. The TCWIB did not provide documentation to demonstrate that services were being provided to the remaining eight participants noted above or that they were exited from the WIA program as of the last date of receipt of services. Again, we recommend that TCWIB provide CRO with documentation to demonstrate that services were being provided to the remaining eight participants noted above or exit from the WIA program. In addition, we recommend that TCWIB review all current case files and take similar action. Until then, this finding will remain open and have been assigned number 90157.

In addition to the findings above, we identified conditions that may become compliance issues if not addressed. Specifically, we found that two males registered for Selective Service more than 30 days after their eighteenth birthday. Also, we found a third participant who turned 18 while enrolled in the program, but did not register for selective service before he was exited three months after he turned 18. We suggested that TCWIB take action to ensure that, in the future, all male participants register for Selective Service no more than thirty days after their eighteenth birthday.

In its response, TCWIB stated that the need for proper documentation of selective service registration for male clients was discussed at length at three training sessions and in one on one sessions focused on eligibility with their providers. The TCWIB's response adequately addressed our concerns.

Secondly, we found that all of TCWIB's youth providers used the Comprehensive Adult Student Assessment System (CASAS) appraisal test for all steps of its youth literacy and numeracy testing process: appraisal, pre-test, and post test. The CASAS appraisal aids in the placement of learners into instructional programs and levels within those programs. Pre- and post-tests are designed to monitor progress within an instructional level. Therefore, appraisals are not appropriate for pre-testing, and post-testing and should not be used to measure learning gain. We suggested that TCWIB review its youth provider's literacy and numeracy testing processes to ensure that the CASAS assessment is conducted according to the testing procedures provided by the CASAS system. Furthermore, we suggested that TCWIB take the necessary corrective action to revise its system to measure literacy and numeracy gains to ensure that the results will be acceptable as a claimed performance outcome. You may contact the CASAS organization at 1-800-255-1036 or casas@casas.org. We strongly suggested that you contact your Regional Advisor for additional information and assistance.

In its response, TCWIB stated that Youth Staff have been trained by CASAS representatives and no longer use the appraisal test for all steps of the youth literacy and numeracy testing process. The TCWIB's response adequately addressed our concerns.

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Office. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than August 26, 2009. Please submit your response to the following address:

Compliance Monitoring Section
Compliance Review Office
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is TCWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain TCWIB's responsibility.

Mr. Adam Peck

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July 29, 2009

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact me at (916) 653-7541 or Mr. TG Akins at (916) 954-8428.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar". The signature is fluid and cursive, with the first name "Jessie" written in a larger, more prominent script than the last name "Mar".

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Greg Gibson, MIC 50
Jose Luis Marquez, MIC 50
Daniel Patterson, MIC 45
Lydia Rios, MIC 50